

# Face Value

Discretionary purchases are usually the first casualty in uncertain times.

By Kim Hughes

**H**igh-definition TVs, fancy mobile devices and digital cameras are all very nice — some might gamely argue essential — but in down times, conventional wisdom holds that luxury buys are generally best avoided.

As for borrowing money to purchase non-essential stuff, only the very brave or very foolish need apply.

But what if the so-called luxury purchase highest on your list is eyelid surgery that would make you look younger and more competitive in your field? Or a hair transplant that would boost your confidence while dating?

Such procedures are elective — no one perishes because they look fatigued or are balding. But they do carry a different social and psychological freight than Kindle versus iPad. And there is little doubt that they can have a real impact on someone's behaviour, self-confidence and possibly even their success at work or play.

The question is: Are cosmetic or dental procedures essential enough to warrant financing?

Even in normal economic times, the idea of obtaining a loan for something that can't be liquidated is unusual, though not necessarily imprudent.

"The reason we need money or attempt to make money apart from paying for food and the like is to have the ability to have the experiences we want, whatever that is," says Paul Thornton, founder and director of Investor Boot Camp Online ([investorbootcamponline.com](http://investorbootcamponline.com)), which provides investors with investment information and strategies on how to build and manage their portfolios.

"That might be buying a house or travelling or buying gigantic



TVs. So on one hand, why shouldn't something like having, say, a better nose not be part of that? Or someone making the case for fixing their teeth... what better investment is there? Money is all about doing something for yourself."

Yet Thornton cautions that anyone seeking financing for anything — a TV or rhinoplasty, a Porsche or orthodontics — must have the ability to repay the loan. "And frankly I would advise against it," he says. "If you are not in a position to buy something — whatever it is — then don't buy it."

Even so, the type of procedure being financed is something of a mitigating factor. While cosmetic enhancements such as breast augmentation or liposuction might strike some as frivolous, it's hard to argue with someone who wants to finance veterinary care for their pet or laser vision correction for their eyes.

Medicard ([medicard.com](http://medicard.com)) — billed as Canada's Patient Financing Company and with \$180 million in loans since it began in 1995 — offers financing for all of the above, plus treatments such as physiotherapy, chiropractic services, infertility, speech pathology and ophthalmology, to name a few.

Ann Kaplan, Medicard founder, president and CEO, allows

that the financing of cosmetic procedures tends to hog the spotlight over more commonplace procedures. Still, her company's longevity and success — with many repeat customers to show for it — illustrates a niche in the marketplace not served by traditional lenders.

"Traditional lenders want collateral. We offer unsecured financing," she explains. "We don't look for assets. That's a big difference. And that is the difference — not because the money is used for medical procedures but because we don't require assets the way banks do."

"We are also instant and can approve a loan in 20 minutes. Of course it depends on the borrower. We need information — we can't not know to whom we're loaning money. But if people fill out the forms and we can verify everything, we can process loans very quickly. Banks have a hard time doing that."

"Generally when people come to us, this is where they want to get the loan," Kaplan continues. "It's also confidential. You don't have to go into a bank and sit down and say to someone, 'I need money for a hair transplant.' Or if someone's pet is in an accident and they need financing, we are right there."

Many reputable surgeons are amenable to their patients seeking third-party financing for their procedures. Some, like Dr. Richard Rival, MD, FRCSC of Toronto Facial Plastic Surgery, list Medicard as well as Credit Medical as options on his website.

"Cosmetic surgery is not an asset you can sell to regain your money; it doesn't appreciate in value like buying a house or something along those lines," says Dr. Rival. "But the benefits in terms of self-esteem and general attitude and how other people look at you certainly enhance your likelihood of being successful in whatever you do."

"I think there have been a number of studies showing that attractive people are generally more successful and make more money. So people could reasonably look at it as an investment in their future."

When it comes to profiling those who seek financing, both Dr. Rival and Medicard's Kaplan agree there is no such thing as a typical client.

"We have a range of ages," says Kaplan. "The gender tends to depend on the procedure. There are more women seeking cosmetic procedures and in hair transplants, it's more men. But when you get into veterinary, laser eye surgery or dental, it's a mix."

"And we do receive letters from satisfied clients," Kaplan says. "We post them on the walls so the staff can see. It's motivating and it's nice when people say thank you. We have had people crying with joy on the phone because their life has changed."

"We train our staff to let people down, too. Treating people with respect is a goal. We do this very well, and this is what we do. We're not doing anything else." 

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